

20 November 1967

MEMORANDUM FOR THE RECORD

SUBJECT: B/L Plotter

1. Our contracting officer has received a request for shipping instructions from B/L and he anticipates we will receive the system by 30 November.

2. We cannot insist on an inspection at the plant before shipment.

3. This is a fixed-fee, delivered-product contract. It is not subject to bi-monthly reports from a project officer as is the case in contracts where funds are released for services performed over a period of time. The "technical officer" for the B/L contract is responsible for assuring that equipment meets the specifications, is operating satisfactorily, and is acceptable. [] should be responsible for this function--he should coordinate his activities with [] and, if necessary, with []

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4. From [] report, it does not appear that the system is ready to be shipped. However, since the contractor has been advised that he will be held in default if he fails to deliver by 30 November or fails to have the system operating by 29 December, he will probably deliver the system by 30 November (ready or not) and use the period until 29 December to correct any deficiencies.

5. The burden of proof for unacceptance of the system will be on CIA. I have asked [] to review the specs in the original contract to see if there are ambiguous or open-ended specs. [] has prepared some materials for test purposes; more may be needed.

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6. If the system is not at or near satisfactory performance by 29 December, we will be faced with the decision of holding the contractor in default. At the least, this would mean shipping the plotter back to the contractor at his expense and terminating the contract. Other options would be to take legal action to recover funds already paid for the tape converter or to seek compensation for "damages" resulting from the contractor's failure to deliver.

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cc: Mr.
Mr.
Mr.

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